

SECOND REGULAR SESSION

SENATE BILL NO. 1203

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUPP.

Read 1st time February 27, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

5324S.011

AN ACT

To repeal section 70.600, RSMo, and to enact in lieu thereof two new sections relating to the Missouri local government employees' retirement system.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 70.600, RSMo, is repealed and two new sections
2 enacted in lieu thereof, to be known as sections 70.600 and 70.631, to read as
3 follows:

70.600. The following words and phrases as used in sections 70.600 to
2 70.755, unless a different meaning is plainly required by the context, shall mean:

3 (1) "Accumulated contributions", the total of all amounts deducted from
4 the compensations of a member and standing to the member's credit in his or her
5 individual account in the members deposit fund, together with investment credits
6 thereon;

7 (2) "Actuarial equivalent", a benefit of equal reserve value;

8 (3) "Allowance", the total of the annuity and the pension. All allowances
9 shall be paid not later than the tenth day of each calendar month;

10 (4) "Annuity", a monthly amount derived from the accumulated
11 contributions of a member and payable by the system throughout the life of a
12 person or for a temporary period;

13 (5) "Beneficiary", any person who is receiving or designated to receive a
14 system benefit, except a retiree;

15 (6) "Benefit program", a schedule of benefits or benefit formulas from
16 which the amounts of system benefits can be determined;

17 (7) "Board of trustees" or "board", the board of trustees of the system;

18 (8) "Compensation", the remuneration paid an employee by a political
19 subdivision or by an elected fee official of the political subdivision for personal

20 services rendered by the employee for the political subdivision or for the elected
21 fee official in the employee's public capacity; provided, that for an elected fee
22 official, "compensation" means that portion of his or her fees which is net after
23 deduction of (a) compensation paid by such elected fee official to his or her office
24 employees, if any, and (b) the ordinary and necessary expenses paid by such
25 elected fee official and attributable to the operation of his or her office. In cases
26 where an employee's compensation is not all paid in money, the political
27 subdivision shall fix the reasonable value of the employee's compensation not paid
28 in money. In determining compensation no consideration shall be given to:

29 (a) Any nonrecurring single sum payment paid by an employer;

30 (b) Employer contributions to any employee benefit plan or trust;

31 (c) Any other unusual or nonrecurring remuneration; or

32 (d) Compensation in excess of the limitations set forth in Internal
33 Revenue Code Section 401(a)(17). The limitation on compensation for eligible
34 employees shall not be less than the amount which was allowed to be taken into
35 account under the system as in effect on July 1, 1993. For purposes of this
36 paragraph, an "eligible employee" is an individual who was a member of the
37 system before the first plan year beginning after December 31, 1995;

38 (9) "Credited service", the total of a member's prior service and
39 membership service, to the extent such service is standing to the member's credit
40 as provided in sections 70.600 to 70.755;

41 (10) "Employee", any person regularly employed by a political subdivision
42 who receives compensation from the political subdivision for personal services
43 rendered the political subdivision, including any elected official of the political
44 subdivision whose position requires his or her regular personal services and who
45 is compensated wholly or in part on a fee basis, and including the employees of
46 such elected fee officials who may be compensated by such elected fee
47 officials. The term "employee" may include any elected county official. The term
48 "employee" shall not include any person:

49 (a) Who is not an elected official of the political subdivision and who is
50 included as an active member in any other plan similar in purpose to this system
51 by reason of his or her employment with his or her political subdivision, except
52 the federal Social Security Old Age, Survivors, and Disability Insurance Program,
53 as amended; or

54 (b) Who acts for the political subdivision under contract; or

55 (c) Who is paid wholly on a fee basis, except elected officials and their

56 employees; or

57 (d) Who holds the position of mayor, presiding judge, president or
58 chairman of the political subdivision or is a member of the governing body of the
59 political subdivision; except that, such an official of a political subdivision having
60 ten or more other employees may become a member if the official is covered under
61 the federal Social Security Old Age, Survivors, and Disability Insurance Program,
62 as amended, by reason of such official's employment with his or her political
63 subdivision, by filing written application for membership with the board after the
64 date the official qualifies for such position or within thirty days after the date his
65 or her political subdivision becomes an employer, whichever date is later;

66 (11) "Employer", any political subdivision which has elected to have all its
67 eligible employees covered by the system;

68 (12) "Final average salary", the monthly average of the compensations
69 paid an employee during the period of sixty or, if an election has been made in
70 accordance with section 70.656, thirty-six consecutive months of credited service
71 producing the highest monthly average, which period is contained within the
72 period of one hundred twenty consecutive months of credited service immediately
73 preceding his or her termination of membership. Should a member have less
74 than sixty or, if an election has been made in accordance with section 70.656,
75 thirty-six months of credited service, "final average salary" means the monthly
76 average of compensation paid the member during his or her total months of
77 credited service;

78 (13) "Fireman", any regular or permanent employee of the fire department
79 of a political subdivision, including a probationary fireman. The term "fireman"
80 shall not include:

81 (a) Any volunteer fireman; or

82 (b) Any civilian employee of a fire department, **except as provided in**
83 **section 70.631**; or

84 (c) Any person temporarily employed as a fireman for an emergency;

85 (14) "Member", any employee included in the membership of the system;

86 (15) "Membership service", employment as an employee with the political
87 subdivision from and after the date such political subdivision becomes an
88 employer, which employment is creditable as service hereunder;

89 (16) "Minimum service retirement age", age sixty for a member who is
90 neither a policeman nor a fireman; "minimum service retirement age", age
91 fifty-five for a member who is a policeman or a fireman;

92 (17) "Pension", a monthly amount derived from contributions of an
93 employer and payable by the system throughout the life of a person or for a
94 temporary period;

95 (18) "Policeman", any regular or permanent employee of the police
96 department of a political subdivision, including a probationary policeman. The
97 term "policeman" shall not include:

98 (a) Any civilian employee of a police department, **except as provided**
99 **in section 70.631**; or

100 (b) Any person temporarily employed as a policeman for an emergency;

101 (19) "Political subdivision", any governmental subdivision of this state
102 created pursuant to the laws of this state, and having the power to tax, except
103 public school districts; a board of utilities or a board of public works which is
104 required by charter or ordinance to establish the compensation of employees of
105 the utility separate from the compensation of other employees of the city may be
106 considered a political subdivision for purposes of sections 70.600 to 70.755; a joint
107 municipal utility commission may be considered a political subdivision for
108 purposes of sections 70.600 to 70.755;

109 (20) "Prior service", employment as an employee with the political
110 subdivision prior to the date such political subdivision becomes an employer,
111 which employment is creditable as service hereunder;

112 (21) "Regular interest" or "investment credits", such reasonable rate or
113 rates per annum, compounded annually, as the board shall adopt annually;

114 (22) "Reserve", the present value of all payments to be made on account
115 of any system benefit based upon such tables of experience and regular interest
116 as the board shall adopt from time to time;

117 (23) "Retirant", a former member receiving a system allowance by reason
118 of having been a member;

119 (24) "Retirement system" or "system", the Missouri local government
120 employees' retirement system.

**70.631. 1. Each political subdivision may, by majority vote of its
2 governing body, elect to cover emergency police dispatchers and jailors
3 as policemen members of the system and emergency fire dispatchers
4 and emergency medical service personnel as firemen members of the
5 system. The clerk or secretary of the political subdivision shall certify
6 an election concerning the coverage of emergency police dispatchers
7 and jailors as policemen members of the system and emergency fire**

8 dispatchers and emergency medical service personnel as firemen
9 members of the system to the board within ten days after such
10 vote. The date in which the political subdivision's election becomes
11 effective shall be the first day of the calendar month specified by such
12 governing body, the first day of the calendar month next following
13 receipt by the board of the certification of the election, or the effective
14 date of the political subdivision's becoming an employer, whichever is
15 the latest date. Such election shall not be changed after the effective
16 date. If the election is made, the coverage provisions shall be
17 applicable to the past and future employment with the employer by
18 present and future employees.

19 2. If an employer elects to cover emergency police dispatchers
20 and jailors as policemen members of the system and emergency fire
21 dispatchers and emergency medical service personnel as firemen
22 members of the system, the employer contributions shall be
23 correspondingly changed effective the same date as the effective date
24 of the political subdivision's election.

25 3. The limitation on increases in an employer's contributions
26 provided by subsection 6 of section 70.730 shall not apply to any
27 contribution increase resulting from an employer making an election
28 under the provisions of this section.

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